



## TEXAS DEPARTMENT OF INSURANCE

### Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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## MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

### GENERAL INFORMATION

**Requestor Name**

TEXAS HEALTH FORT WORTH

**Respondent Name**

HARTFORD ACCIDENT & INDEMNITY COMPANY

**MFDR Tracking Number**

M4-17-1935-01

**Carrier's Austin Representative**

Box Number 47

**MFDR Date Received**

February 23, 2017

### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "Per Rule 134.403 section E all HCPC's that are aid per the fee schedule should pay per the APC allowable at 200% regardless of the billed charges"

**Amount in Dispute:** \$182.67

### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "reimbursement was made in accordance with Rule 134.403."

**Response Submitted by:** The Hartford

### SUMMARY OF FINDINGS

| Dates of Service  | Disputed Services            | Amount In Dispute | Amount Due |
|-------------------|------------------------------|-------------------|------------|
| February 24, 2016 | Outpatient Hospital Services | \$182.67          | \$0.00     |

### FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

**Background**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403 sets out the acute care hospital fee guideline for outpatient services.

3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 58 – SIGNIFICANT, SEPARATELY IDENTIFIABLE E/M SERVICE RENDERED.
  - 97 – PAYMENT ADJUSTED BECAUSE THE BENEFIT FOR THIS SERVICE IS INCLUDED IN THE PAYMENT/ALLOWANCE FOR ANOTHER SERVICE/PROCEDURE THAT HAS ALREADY BEEN ADJUDICATED.
  - 243 – THE CHARGE FOR THIS PROCEDURE WAS NOT PAID SINCE THE VALUE OF THIS PROCEDURE IS INCLUDED/BUNDLED WITHIN THE VALUE OF ANOTHER PROCEDURE PERFORMED.
  - 802 – CHARGE FOR THIS PROCEDURE EXCEEDS THE OPPTS SCHEDULE ALLOWANCE
  - P12 – WORKERS' COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT

### **Issues**

1. What is the applicable rule for determining reimbursement for the disputed services?
2. What is the recommended payment amount for the services in dispute?
3. Is the requestor entitled to additional reimbursement?

### **Findings**

1. This dispute regards outpatient hospital facility services with reimbursement subject to the provisions of 28 Texas Administrative Code §134.403, which requires that the reimbursement calculation used for establishing the maximum allowable reimbursement (MAR) shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register with the application of minimal modifications as set forth in the rule.

Per §134.403(f)(1), the sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 200 percent, unless a facility or surgical implant provider requests separate reimbursement of implantables. Review of the submitted documentation finds that separate reimbursement for implantables was not requested.

2. Medicare's Outpatient Prospective Payment System (OPPS) assigns an Ambulatory Payment Classification (APC) for billed services based on procedure codes and supporting documentation. The APC determines the payment rate. Hospitals may be paid for more than one APC per encounter. Payment for ancillary items and services without procedure codes is packaged into the payment for the APC. The Centers for Medicare and Medicaid Services (CMS) publishes quarterly lists of APC rates in the OPPS final rules, available from [www.cms.gov](http://www.cms.gov). Reimbursement for the disputed services is calculated as follows:

- Procedure code A7521, 76376, Q9963, and Q9967 have status indicator N denoting packaged codes with no separate payment; these items are integral to the total service package. Reimbursement is included in the payment for the primary services.
- Procedure code 36600, 72170 and 12011 have status indicator Q1 denoting STVX-packaged codes; reimbursement for these services is packaged into the payment for any other procedures with status indicators S, T, V, or X billed on the same claim. These codes may be separately payable only if no other such procedures are billed for the same day.
- Procedure code 82565, 82803 has status indicator Q4 denoting conditionally packaged laboratory services. Separate payment allowed at Clinical Laboratory Fee Schedule rates if the bill contains only status Q4 HCPCS codes listed in the CLFS; otherwise, payment for the packaged services is included in the reimbursement for the primary service(s).
- Procedure code 71010 is assigned status indicator S, denoting significant OPPS procedures paid separately by APC—not subject to multiple-procedure reduction. This is classified under APC 5521, which, per OPPS Addendum A, has a payment rate of \$60.80. This amount multiplied by 60% yields an unadjusted labor-related amount of \$36.48, which is multiplied by the facility's annual wage index of 0.9572 for a labor adjusted amount of \$34.92. The non-labor related portion is 40% of the APC rate, or \$24.32. The sum of the labor and non-labor portions is \$59.24. The cost of these services does not exceed the annual fixed-dollar threshold of \$3,250. The outlier payment is \$0. The Medicare facility specific reimbursement for this line is \$59.24. This amount multiplied by 200% yields a MAR of \$118.48.

- Procedure codes 74177 and 71260 have status indicator Q3, denoting packaged codes paid through a composite APC. Services assigned to a composite APC are major components of a single episode of care; the hospital receives one payment under a composite APC for multiple separate major services. Payment for any combination of designated procedures performed the same day is packaged into a single payment. If a “without contrast” CT and a “with contrast” CT are billed together, APC 8006 is assigned rather than APC 8005. These services are assigned to composite APC 8006, for computed tomography (CT) services with contrast. If a composite includes multiple line items, the charges for those combined services are summed to one line. To determine outliers, a single cost for the composite is estimated from the summarized charges. Total packaged cost is allocated to the composite line item in proportion to other separately paid services on the bill. This line is assigned status indicator S denoting significant OPPS procedures with separate APC payment, not subject to multiple-procedure reduction. This is classified under APC 8006, which, per OPPS Addendum A, has a payment rate of \$493.91. This amount multiplied by 60% yields an unadjusted labor-related amount of \$296.35, which is multiplied by the facility's annual wage index of 0.9572 for an adjusted labor amount of \$283.67. The non-labor related portion is 40% of the APC rate or \$197.56. The sum of the labor and non-labor portions is \$481.23. The cost of these services does not exceed the annual fixed-dollar threshold of \$3,250. The outlier payment is \$0. The Medicare facility specific reimbursement for this line is \$481.23. This amount multiplied by 200% yields a MAR of \$962.46.
  - Procedure code 99285 has status indicator J2 denoting hospital or emergency room visits (including observation/critical care services). This is classified under APC 5025, which, per OPPS Addendum A, has a payment rate of \$486.04. This amount multiplied by 60% yields an unadjusted labor-related amount of \$291.62, which is multiplied by the facility's annual wage index of 0.9572 for an adjusted labor-related amount of \$279.14. The non-labor related portion is 40% of the APC rate or \$194.42. The sum of the labor and non-labor portions is \$473.56. The cost of these services does not exceed the annual fixed-dollar threshold of \$3,250. The outlier payment is \$0. The Medicare facility specific reimbursement is \$473.56. This amount is multiplied by 200% for a MAR of \$947.12.
3. The total allowable reimbursement for the services in dispute is \$2,028.06. The total paid by the insurance carrier is \$2,028.06. The requestor is due \$0.00. No additional reimbursement is recommended.

### **Conclusion**

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

**ORDER**

Based on the submitted information, pursuant to Texas Labor Code Section 413.031, the division hereby determines the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

Authorized Signature

|           |  |                |
|-----------|--|----------------|
| _____     | Grayson Richardson                     | March 17, 2017 |
| Signature | Medical Fee Dispute Resolution Officer | Date           |

**YOUR RIGHT TO APPEAL**

Either party to this medical fee dispute has a right to seek review of this decision in accordance with Rule §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012.**

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**